

# BUDGET COMMITTEE

## Minutes of May 24, 2005

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Vice Chairman, Scott Bartis at 7:35 PM.

Members present: Scott Bartis, Vice Chairman; Melinda Willis, Selectmen's Representative; Harry Haytayan, School Board Representative; Chris Hyde, Lorin Rydstrom; Deborah Adams, Secretary

### Town Report

Melinda reports that the budget is tracking well for this time of year. Through the end of April there were not too many expenditures. The DPW is slightly over budget due to excessive winter plowing needs. They do anticipate receiving some FEMA funding to help offset some of this. The Selectmen recently signed with Northbranch Construction for the safety complex project. The Management Committee decided to hire a construction manager, who will bring in the appropriate subcontractors to bid on the project. They felt that this would be better than hiring one firm with their own subcontractors. They wanted the flexibility to have more control of the project. She comments that Northbranch Construction is a good sized firm. They have done 7 large projects with David Udelsman, who is the architect that is working on the project. They are anticipating an August 1 start date.

The bonding for the Gelazauskas and Woodmont properties, as well as the renovation project, should be finalized for July 1<sup>st</sup> or 8<sup>th</sup>. The Sergiewicz property cannot be bonded at this time, as one of the owners recently passed away and they need to wait for probate. Paul Calabria recently switched banks for everyday funds. With this new account at Citizens Bank, the Town has already earned \$50,000 in interest, which is only \$10,000 less than the interest earned all of last year. The self-funding insurance has been working well so far.

### School Report

Harry explains that the DRA recently informed them that the process by which they had attempted to fund the support staff was illegal, therefore the ability to bond the contract has been denied. They had attempted to place the increase within the operating budget, yet this was not appropriate. An agreement has finally been negotiated and settled for the support staff contract. This past week, the School Board formally voted to pursue holding a special district meeting, which will allow for a vote on this agreement. The paperwork has officially been filed with the State. The notice must be filed with the DRA within 24 hours of the vote. The DRA then has a specific window of time by which they must respond. Once this has been done, they must file with the court for a hearing. Attorney Drescher has filed the appropriate paperwork for the district. This will now be in the hands of the judge. If the special district meeting is not granted, then this will be the end of the issue. If the meeting is granted, they will continue with the normal process for having the hearing. Debbie urges the School Board to please keep her informed. If the special district meeting is approved, the BudCom must hold a public hearing on the warrant article and this must be posted in local papers by a specific date. Harry promises to keep the BudCom informed. Harry explains that they chose the same date as the special coop district meeting, so that voters will not have to come out on 2 separate nights. He is not exactly sure of the date, yet it will be sometime at the beginning of August.

Chris comments that when this whole issue came up during the public hearing last February, there was no warrant article to bring before the public or the BudCom. At the time Ken DeBenedictis indicated that there was precedent for this, yet the BudCom refused to hear it at that time. They did not feel this was appropriate to discuss funding something that had not been officially negotiated. Harry mentions that at the time Attorney Drescher was not comfortable giving expert advice on labor issues. The School Board has since retained Attorney Tom Flagar, an expert on labor law. The School Board has been consulting with him on this process and now feels a lot more comfortable. The terms of the contract are being reviewed to see about some improvements for next year. They have learned the importance of having expert advice.

Chris asks if this will hamper or set precedent on future negotiations. Harry comments that they will have to see what the future brings. He points out that there is an RSA process and a window of time that must be adhered to. When handling contract negotiations they must stay within the confines of the law. At the time they all believed that what was being done at the district meeting was appropriate. They now know better.

Lorin comments that the Coop BudCom voted to take the position that they would not support any contract that is not brought before the voters in the normal manner. He personally would vote against having a special district meeting. He does not feel that this sets a good precedent. Harry comments that he understands this sentiment. The school board and BudCom have different roles in this process. Since the school board was involved in the negotiation process, they should support having a special district meeting. There was no negotiated agreement in time for the budget hearing, therefore they could not present funding for any agreement at the district meeting. They continued negotiating with the mindset that this could be presented at a special meeting.

Lorin stresses that he understands that this was all done in good faith. Chris agrees that the school board can continue with negotiations for fact finding purposes. He recalls the RSA requiring 50% of the registered voter population to attend a special meeting in order to make the meeting official. Harry states that he does not wish to speak out of turn or with inaccurate information, however he does not feel that this is the sole mechanism for holding a special meeting and that there are other ways that do not require this kind of attendance for validity. Chris stresses that he

is uncomfortable negotiating after a deadline and setting precedent for holding special town meetings. It is hard enough to get attendance at normal district meetings. He does not support this.

*Chris moves that the BudCom take the position to NOT support the special district meeting request. Seconded by Lorin.*

Discussion: Melinda comments that she agrees with Chris and Lorin about the logistics of this. She would like to send a message that negotiations should be handled on time. She does not wish to set precedent like this. She is concerned that the support staff gets hurt in this process, which is unfortunate. As a BudCom member she cannot support this request for a special district meeting, yet as a taxpayer she does support the staff. She feels it is important to send this message. Scott agrees that they need to send a message about the process, but not about the content. The BudCom supports the negotiation, just not the process. Harry stresses that the school board does not wish to make this into a routine process. Chris agrees that the school board must act in good faith with the support staff, yet the BudCom must take a different view and look at future implications.

Melinda comments that this is a message to the school board, but more so to the union negotiators, telling them that they must come to an agreement by the deadline. Harry agrees. He points out that next year the school board will be well advised when heading into this process.

*Vote on Motion: 4-1-0 (In Favor – Scott, Chris, Lorin, Melinda Opposed – Harry)*

Melinda asks about negotiations for the professional contract. Harry states that this will begin in the Fall. The support staff agreement is only for one year. This will also have to be negotiated again. Chris comments that the professional and support staff contracts were always staggered so that the negotiations were not done simultaneously. If this contract is for only one year, then this puts both unions on the same yearly schedule. Harry explains that an agreement was made with the assumption that funding could be provided through the operating budget. This was deemed illegal by the DRA. He assumes that this is still the same agreement that will go to the special district meeting.

Chris points out that if they have 2 unions negotiating simultaneously, the school board's focus will be on the negotiations rather than on the budget process. This may cause other problems. Harry stresses that they really need to wait to see what the Judge rules. Chris points out that if they are shooting for a meeting at the beginning of August, the BudCom will need to have a meeting 4 weeks prior to that date, with notices posted 2 weeks prior to that. There is not much time for all of this. Harry agrees that there is a small window.

Melinda asks if they have heard anything more from the Senate regarding the recent item on school funding. Harry comments that he does not have as much access to the Senate these days. Anything he has heard doesn't clarify this issue any further. It is currently working its way through the Senate, then it will go back to the House. Hollis previously had a great advocate with Jane O'Hearn, yet she is no longer there. At this point they will have to wait and see who is appointed to this committee, yet the signs are not favorable to Hollis. Melinda agrees. She has been expecting Hollis' portion to decrease. She has had the chance to speak to many Senators about this issue and explained to them the difficulties for Hollis to lose \$1,000,000 in one year, especially after budgets have been approved and voted upon.

Chris questions how the preschool idea has been coming along. He mentions that he has received several emails from individuals voicing their concerns about this issue and how there are already several preschools located within Hollis. He would like to make sure that the school board, Bob Kelly and LeeAnn Blastos can document the process to prove that this program will remain self funding and will not cost the town more than the current process. Harry stresses that the quality of education will be superior. The terms of the business aspect regarding competition to private preschools is not the school board's concern. Chris recalls discussions regarding the Lawrence Barn issue were it was explained to the BudCom that the municipality cannot compete or take business away from private industry. Harry stresses that they would have to shut down all of the schools with this argument. Chris argues that there is no state mandate that Hollis must offer preschool services.

Harry explains that this program is intended to improve services to those children that the district is mandated to provide help for. This is not intended to become a money maker. The issue is to create a program that is better for those that the district is legally responsible for. The program itself, integrating special education students with normal education students is what make the program so good. Scott points out that this is not an issue of value, but an issue of dipping into a pool of children that can be served by private programs. Chris stresses that the emails he has received are not related to existing private preschools. These individuals were concerned as taxpayers that the school is expanding their services at the taxpayers expense. There are many questions surrounding this idea. Will this create a need for school expansion? What is spent on special education vs. normal education? How much funding will be allocated for the mandated children vs. the tuition for normal education? How much additional staffing will be required? These are all issues that need to be addressed by the school board. He wishes the emails had been sent to the school board and not to him.

Harry stresses that this has been on the agenda for the last year. Most of these questions have already been answered. If people are truly interested in this issue, there was time to discuss this a year ago when they began discussions. People should attend the school board meetings. Chris points out that the BudCom did not hear of this until late Fall. Harry states that they held a public forum to gather public comments on this issue. He wishes more people would attend these meetings. Melinda comments that they really should have their meetings televised, which would help those people that are not in town during the time of the meeting. She points out that some of their meetings are held during the day, which makes it difficult for the public to attend. Harry stresses that all meetings are posted with agendas; outside the school, at the SAU and at the post office.

Melinda asks if there has been any thoughts on what to do with the Farley Building, now that the Middle School addition is well underway. Harry is not sure. The deed involves the Hollis school district as well as the Town. He is not sure how this will play out. The Middle School addition should be completed by October or November. They will need a transition period to pull out of the Farley Building. At this point the school board has not thought about the use of this building.

*Lorin moves to adjourn. Seconded by Melinda. Motion unanimously approved.*

**Next Meeting** will be held June 28, 2005 at 7:30 PM in the Town Hall Community Room

Meeting adjourned at 8:45 PM.

Respectfully submitted,

Deborah Adams, Secretary